



GOVERNOR ARNOLD SCHWARZENEGGER

April 29, 2010

The Honorable Kathleen Sebelius
Secretary of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Madam Secretary,

As Governor, I have been an advocate for broad, comprehensive health reform. In 2007, my administration tried to enact comprehensive health care reform in California, and I am proud that the newly enacted federal legislation draws upon the same principles as my reform.

As we begin the challenge of implementing this complex and ambitious plan, it is clear that states will need to be your partners in making sure it is done responsibly, thoughtfully and appropriately. In fact, if national health care reform is going to succeed, it is up to the states to make it happen. California is ready to act, and our first opportunity for action is immediate. For the thousands of Californians who have been turned down for insurance, I intend to contract with the federal government to operate a temporary health insurance program for currently uninsured individuals with preexisting medical conditions.

Since the early 1990s, California has operated a similar program, governed by an appointed board composed of five public members using a private sector enrollment administrator and partnering with private health insurance plans. I plan to submit an application for California to contract with the federal government to operate the federal high-risk pool alongside our current state high-risk pool under the same governance and operational framework.


The application I will submit is shaped by your assurances that 100 percent of the costs will be provided by the federal government for the duration of the program until other key reform provisions are enacted January 1, 2014. I am also encouraged by comments from your staff on the most recent weekly call with the states indicating that your department will be flexible with the program and benefit design to minimize state implementation challenges.

I am aware that the funds will be available as early as July 1, 2010, and I will immediately begin working with the California Legislature and stakeholders to allow our state to take advantage of this contracting opportunity and offer more Californians access to critical health care services. The number of statutory changes necessary will depend on those discussions.

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Currently, California has more than 8 million individuals without health coverage. For the good of all Californians and our economy, we need to roll up our sleeves and get to work fixing this broken system. I look forward to continuing to work with the Obama administration and Congress to ensure that California and all states have the fiscal, technical and administrative resources we need to successfully implement federal health reform and ensure it delivers its promise of expanded coverage, greater affordability and improved health outcomes.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnold Schwarzenegger", written in a cursive style.

Arnold Schwarzenegger

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